



No. 44

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S. 1589/H.R. 2989 – Transportation, Treasury, and General Government Appropriations Bill, FY 2004

Calendar No. 277

S. 1589 was reported from the Senate Appropriations Committee as an original bill on September 8, 2003, by a vote of 29-0; S. Rept. 108-146.

NOTEWORTHY

- Today the Senate began consideration of H.R. 2989, the Transportation, Treasury, and General Government Appropriations Bill of FY 2004. By unanimous consent, the Senate accepted the Senate-reported bill, S. 1589, as original text.
- S. 1589 makes available a total of \$90.03 billion in net total budgetary resources available for FY2004: \$45.51 billion in new budget authority and \$44.75 billion in limitations on obligations. This aggregate figure is \$3.05 billion more than the comparable enacted FY2003 amount and \$3.98 billion more than the budget estimate. (Recall that this is the first combined Transportation Department and Treasury Department funding bill, following the creation of the Department of the Homeland Security, which is funded by its own appropriations bill.)
- Because the federal surface transportation programs have not yet been reauthorized (rather, TEA-21 (P.L. 105-178) was extended through February of 2004), the Committee has generally assumed continuation of current law in developing the FY04 appropriations recommendations.
- The Committee funds Amtrak at \$1.35 billion, 30 percent more than last year and 50 percent more than the budget estimate and the House-passed version (H.R. 2989). The appropriation also continues the requirement, made law in the FY03 Omnibus Appropriations bill, that Amtrak must submit capital and operating plans and cannot expend funds on projects not included in its business plan.

- The Committee continues a provision, with modification, providing that the adjustment in rates of basic pay for employees under statutory pay systems taking effect in fiscal year 2004 shall increase 4.1 percent.

HIGHLIGHTS

- The House passed its version of the Transportation, Treasury, and General Government Appropriations Bill of FY 2004 (H.R. 2989) on September 9, 2003 by a vote of 381-39.
- Of the \$90.03 billion made available in the Senate bill, there is \$45.5 billion in new budget (obligational) authority, and \$44.8 billion in estimated obligation limits on contract authority for items such as trust-funded programs for Federal-aid highways, for mass transit, and for airport development grants.
- The budget request assumes a reduction of \$28 million and 226 full-time-equivalent positions for the Treasury Department to reflect the divestiture of certain Treasury Department Offices' functions to the Department of Homeland Security. Treasury has worked with the Office of Personnel Management to implement this reduction through employee transfers to DHS and early-out retirement authority. However, the initial estimate of 226 employees reduced from the salary and expenses account has proven to be too high. As a result, the Department anticipates the need for additional funding to support approximately 60 full-time-equivalent positions in FY2004. The bill provides \$5.8 million to this base shortfall in FY2004.
- In developing the fiscal year 2004 appropriations recommendations for the Federal surface transportation programs authorized by TEA21 (P.L. 105-178), the Committee has generally assumed continuation of current law. On September 30, 2003, Public Law 108-88 extended the expiring Highway authorization for five months at the same levels as current law.
- The Committee rejects the President's proposal to charge individual agencies the administrative costs of the Federal Employee's Compensation Act (FECA) program because the Senate Committee on Health, Education, Labor, and Pensions has not acted on the proposal. As a result, each agency's monetary and medical benefits for employees are billed to the agency, while the administrative costs will continue to be financed by the Department of Labor, Employment Standards Administration Salaries and Expenses Account.

- Amtrak is funded at \$1.4 billion, 30 percent more than last year and 50 percent more than the budget estimate. The appropriation also continues the requirement, made law in the FY03 Omnibus Appropriations bill, that Amtrak must submit capital and operating plans and cannot expend funds on projects not included in its business plan. As was also the case in FY03, funds will be provided directly to the Secretary of Transportation, who will provide grants directly to Amtrak on a quarterly basis.

BILL PROVISIONS

Title I: Department of Transportation

Total Title I Funding – The bill provides \$14.2 billion in total funds for the Department of the Transportation, a \$721.8 million increase from the FY03 enacted amount¹ and a \$473.9 million increase over the President's request. The Senate bill provides for the following funding levels under the Department of Transportation:

- **Office of the Secretary** – \$171.6 million, an increase of \$1.1 million from the FY03 enacted amount of \$172.7 million and over \$5.7 million below the budget request of \$177.2 million.
- **Office of Civil Rights** – The Office of Civil Rights, responsible for overseeing and advising the Secretary on civil rights and equal employment opportunity matters, is funded at \$8.6 million, the same as the budget request and slightly less than the FY03 appropriation.
- **Transportation Planning, Research, and Development** – This program, primarily carried out through contracts with other Federal agencies, educational institutions, nonprofit research organizations, and private firms, supports research and development activities necessary in the formulation of national transportation policy. The committee recommends \$15.8 million, \$5 million more than the budget request of \$10.8 million, but \$5 million less than the FY03 enacted amount of \$20.8 million.
- **Working Capital Fund** – The Fund is used to finance common administrative services of the Department of Transportation. The budget request proposed eliminating the obligational limitation on

¹ The FY2003 appropriated amount was adjusted to reflect the across the board rescission in FY2003 appropriations pursuant to section 601 of Public Law 108-7, and the transfers to the Department of Homeland Security.

the Fund to service the operations of the Department, but the committee felt it better to have a limit of \$116.7 million (enacted FY03 was \$131.8 million) in place to keep spending discipline in check.

- **Federal Aviation Administration** – The bill provides \$14 billion in total budgetary resources, which is \$480 million more than the FY03 enacted amount. The committee’s recommendation breaks down as follows:
 - **FAA operations** – This section funds air traffic control, the Contract Tower Program, and other FAA air services. The committee recommendation is \$7.5 billion, \$55 million less than the budget request and \$512.6 million more than the FY03 enacted amount. \$6 billion will come from the Airport and Airway Trust Fund, while the rest will be financed through the General Fund.
 - **Facilities and Equipment** – Total recommended spending on this section is \$2.9 billion, the same as the budget request and \$45.6 million less than FY03. Of that total, \$175.1 million attempts to reduce aviation fatalities, \$689.8 million would be directed to increase the number of flights handled by airports, \$317.9 million would go to improve enroute routing efficiency for flights, and \$390.9 million would increase air system capacity. The remaining sums are devoted to other programs to increase safety and improve efficiency of the nation’s air traffic system.
 - **Research, Engineering, and Development** – The Committee recommends \$118.9 million (\$18.9 million more than the budget estimate, but \$28.5 million less than the enacted FY03 amount).
 - **Grants-in-Aid for Airports** – The committee recommends \$3.5 billion in authority, \$100 million more than the budget request and slightly more than \$100 million more than enacted in FY03. The Committee also included language to prevent funds necessary for airport capacity enhancements to be used for homeland security-related expenditures, such as bulk explosion protection equipment.
- **Essential Air Service Program** – This program, which subsidizes carriers to continue service to under-served communities is funded at \$102 million, \$52 million more than the budget request, of which \$50 million will come from overflight fees. Although the budget request proposed reform of EAS, neither the House nor Senate versions of the FAA reauthorization legislation sought comprehensive reform.
- **Federal Highway Administration** – An amount of \$34.8 billion in total budgetary resources (FY03 enacted amount was \$32.64 billion) for the FHWA. The bill would limit FY04 Federal-aid highways obligations to \$33.8 billion, an increase of \$2.2 billion over the FY03 enacted level and \$4.6 billion more than the budget request. The bill also recommends a liquidating cash appropriation of \$34 billion, \$2 billion more than FY03 enacted and \$4 billion more than the budget request. The bill also includes \$20 million for AMBER Alert grants for states.

- **Federal Motor Carrier Safety Administration** – The bill provides \$436 million for the Federal Motor Carrier Safety Administration (FY03 enacted, \$305.5 million; budget request, \$447 million). This Department of Transportation agency, which was created in 1999, administers the motor carrier safety grants program formerly housed within the Federal Highway Administration.
- **National Highway Traffic Safety Administration** – An amount of \$448.7 million is provided for NHTSA operations and research, and highway safety grants to states, which is slightly more than the FY03 enacted amount of \$423.3 million. The full suite of National Highway Traffic Safety Administration programs are authorized by the Transportation Equity Act for the 21st Century (TEA-21, as extended by P.L. 108-88) and must be reauthorized sometime during FY04. The NHTSA recommendation does not fund programs that have not been authorized. The recommendation is \$200 million less than the budget request, owing to different accounting treatment in the Administration's TEA-21 reauthorization proposal. The committee has specified \$50 million for impaired driving and seatbelt mobilization programs that have proven effective.
- **Federal Railroad Administration** – The bill provides \$1.6 billion for railroad safety and operations, research, high-speed rail programs, and Amtrak. The funding included in the bill is \$446 million above the Administration's request and over \$307.5 million more than enacted FY03 amount. This level of funding includes \$1.4 billion for Amtrak — \$446 million above the requested level and \$302.8 million more than FY03 enacted level, including supplemental appropriations. This figure also includes \$29.4 million for research and development on the Next Generation High-Speed Rail program and \$130.8 million for railroad safety and operations.
- **Federal Transit Administration** – An amount of \$7.3 billion is provided for formula grants, research, capital discretionary transit programs, job access, and administrative expenses. This amount is \$126 million above FY03 enacted level and \$79 million above the budget request. Of the total, \$3.1 billion will go towards Capital Investment grants and \$3.8 billion will go towards Formula grants according to their preexisting statutory guidelines. The committee also recommends \$5.84 billion in liquidating cash for the Trust Fund share of transit expenses, an increase of \$63 million over the FY03 enacted level.
- **Saint Lawrence Seaway Development Corporation** – The bill provides \$14.4 million, the same as the budget request and \$406,000 more than the FY03 enacted amount.
- **Research and Special Programs Administration** – The bill provides \$110.3 million, approximately \$5.6 million more than enacted in FY03 and \$7.9 million less than the budget request. Of this total, \$22.8 million is for hazardous materials safety, \$2.8 million is for emergency transportation, and \$2.4 million is for research and technology, including hydrogen fuel research. The Administration is also responsible for the Department of Transportation pipeline safety program, for which the committee recommends \$67.6 million, \$535,000 more than the budget estimate and \$3.8 million more than enacted in FY03.

- **Office of Inspector General** — The committee provides \$56 million for transportation-related audits and investigations, the same as the budget request and a \$1.1 million more than FY03.
- **Surface Transportation Board** — The bill provides \$19.5 million, of which \$1.1 million is to be recovered by already established offsetting collections, if collected. The figure is the same as the budget estimate and slightly more than the FY03 enacted amount.
- **National Transportation Safety Board** — The committee recommends \$72.2 million for the independent regulatory agency charged with investigating accidents and making recommendations to combat them. This figure is \$191,000 more than the FY03 enacted amount and \$690,000 above the budget request.

Title II: Department of the Treasury

Total Title II Funding – The bill provides \$11.2 billion in total funds for the Department of the Treasury, a \$201.7 million increase from FY03 appropriations,² and a \$146.9 million increase over the President's request.

- **Department-Wide Systems and Capital Investments Program** – The bill provides \$36.9 million to modernize business processes and increase efficiency through technology investments. This represents a \$4.9 million decrease from FY03 appropriations, equal to the President's request.
- **Office of Inspector General/Treasury Inspector General for Tax Administration** – The President's budget included a legislative proposal to merge the Treasury Inspector General and the Treasury Inspector General for Tax Administration into a new Inspector General office to be called the Inspector General for Treasury. The President's budget requested \$134.9 million for FY2004 for the new office. The bill, however, maintains the current structure and provides \$12.7 million for the Office of Inspector General, a \$1.8 million increase from FY2003, and \$128 million for the Treasury Inspector General for Tax Administration, an increase of \$3.8 million from FY2003.
- **Air Transportation Stabilization Program** – The bill appropriates \$2.5 million for FY2004, a \$3.5 million reduction from FY2003, and equal to the President's request.
- **Financial Crimes Enforcement Network** – The bill appropriates \$57.6 million in FY2004, an increase of \$6.2 million from FY2003,³ and equal to the President's request.

² The FY2003 appropriated amount was adjusted to reflect the across the board rescission in FY2003 appropriations pursuant to section 601 of Public Law 108-7 and transfers to the Department of Homeland Security.

- **Alcohol and Tobacco Tax and Trade Bureau** – The bill appropriates \$80 million for the Alcohol and Tobacco Tax and Trade Bureau (TTB). This amount is an increase of \$25.4 million above the FY2003 enacted level that was transferred to the TTB by the Bureau of Alcohol, Tobacco and Firearms (ATF). The TTB did not exist as a stand-alone agency until January 2003 when ATF was transferred to the Department of Justice. The amount is equal to the President’s request.
- **Internal Revenue Service** – The bill appropriates \$10.3 billion for FY2004, a \$297 million increase from FY2003 and \$160.5 million less than the President’s request. That funding includes, but is not limited to: \$4 billion for Processing, Assistance, and Management, a \$118.1 million increase above FY2003 appropriations and \$26.4 million less than the President’s request; \$4.2 billion for Tax Law Enforcement, a \$467.9 million increase from FY2003 appropriations and \$196.2 million above the President’s request; \$1.6 billion for Information Systems, a \$30.9 million reduction from FY2003 appropriations and \$80 million less than the President’s request; \$429 million for Business Systems Modernization, an increase of \$65.4 million over FY2003 appropriations and equal to the President’s request; and \$35 million for the Health Insurance Tax Credit Administration, a reduction of \$34.5 million from FY2003 appropriations and equal to the President’s request.

Title III: Executive Office of the President and Funds Appropriated to the President

Total Title III Funding – The bill provides \$735.3 million in total funding for Title III, a decrease of \$41.7 million from FY2003 appropriations and \$55.3 million less than the President’s request.

- **Salaries and Expenses** – The bill appropriates \$61.9 million for staff and expenses, an \$11.6 million increase over FY2003 funding and \$8.3 million less than the President’s request.
- **Operating Expenses** – The bill appropriates \$12.5 million for operating expenses, \$352,000 less than the FY2003 level and equal to the President’s request.
- **Council of Economic Advisers** – The bill appropriates \$4.5 million for the Council of Economic Advisers, \$0.8 million more than the FY2003 level and equal to the President’s request.
- **National Security Council** – The bill appropriates \$10.6 million for the National Security Council, \$2.8 million more than the FY2003 level and equal to the President’s request.
- **Homeland Security Council** – The bill appropriates \$8.3 million for the Homeland Security Council, \$10.9 million less than the FY2003 level and equal to the President’s request.
- **Office of Administration** – The bill appropriates \$77.2 million for the Office of Administration, \$13.7 million less than the FY2003 level and equal to the President’s request.

- **Office of Management and Budget** – The bill appropriates \$75.4 million for the Office of Management and Budget, \$13.4 million more than the FY2003 level, and equal to the President’s request.
- **Office of National Drug Control Policy** – The bill appropriates \$28 million for the Office of National Drug Control Policy, \$1.7 million more than the FY2003 level and \$706,500 more than the President’s request.
- **Counterdrug Technology Assessment Center** – The bill appropriates \$42 million for the Counterdrug Technology Assessment Center, \$5.7 million less than the FY2003 level and \$2 million more than the President’s request.
- **Federal Drug Control Programs/High-Intensity Drug Trafficking Areas** – The bill appropriates \$226.4 million for Federal Drug Control Programs, \$1.5 million more than the FY2003 level and \$20 million more than the President’s request.

Title IV: Related Agencies

Total Title IV Funding – The bill provides \$19.28 billion in total funding for Title IV, an increase of \$18 million from FY03 and \$374 million less than the President’s request.

- **Architectural and Transportation Barriers Compliance Board** – \$5.4 million, the same as the budget request and \$241,000 more than enacted in FY03.
- **Federal Election Commission** – The Committee recommends \$50.4 million for the FEC, the same as the budget request and \$898,000 more than FY03.
- **General Services Administration** – \$615.1 million in new budget authority, which is \$151.4 million more than the budget request and \$606.9 million less than FY03 enacted. The bill also provides \$6.8 billion in limitations on obligations for the federal buildings fund. The administration’s request for additional court houses is funded in this account.
- **Office of Personnel Management** – \$17.5 billion, which is \$953.6 million more than FY03 and \$500 million less than the budget request. The major components of the OPM appropriation funds the government payment for employee health benefits and annuitants (\$7.22 billion) and the necessary payment to the Civil Service Retirement and Disability Fund (\$9.99 billion).
- **Office of Special Counsel** – The committee recommends \$13.5 million, the same as the budget request and \$1 million more than FY03.

- **United States Postal Service** – The committee recommends \$65.5 million for the Postal Service, the same as the USPS’s request to fund free mail for the blind and overseas voting and its prior year’s liability under the Revenue Forgone Reform Act of 1993. This appropriation is \$10.6 million less than was required (and appropriated) in FY03.

ADMINISTRATION POSITION

No statement of Administration policy was available at press time, but one is anticipated. Once issued, it will be posted on the Office of Management and Budget’s website:
<http://www.whitehouse.gov/omb/legislative/sap/index.html>.

POSSIBLE AMENDMENTS

Dorgan. Limit funding of Office of Foreign Assets Control to enforce the travel ban on U.S. citizens to Cuba.

Harkin. Prohibits funding of Treasury plan to finalize the regulations on converting defined benefit plans to cash balance pension plans.

Mikulski. Prohibits competitive sourcing.